

APPENDIX IITEM REDUCTION PROGRAMA. GENERAL

This Chapter contains procedures and instructions applicable to the determination, coordination, dissemination, and implementation of item standardization decisions. These procedures apply to the Department of Defense and the GSA. Figure I-1 gives an overview of the item reduction study process.

B. PROCEDURE FOR ITEM REDUCTION CODING

1. Item Standardization Code Assignments. All national stock numbers (NSNs) and permanent system control numbers (PSCNs) in the Defense Logistics Services Center (DLSC) total item record (TIR) shall be assigned an item standardization code (ISC). The ISC denotes that an item is authorized for acquisition or not authorized for acquisition, and Segment E of the TIR shows where and when the authorization decision was made. ISC assignments document standardization decisions that are made in four areas. These four areas and the activities responsible for assignment of ISCS are as follows:

a. Item Reduction Studies. The Item Reduction Activity proposes ISCs, and after coordination, submits the official ISCS to the DLSC. ISCS 1 and 3 apply (ISCS 2 and C shall be applied by the Item Reduction Activity as appropriate).

b. Superseding Specifications and Standards. The Item Reduction Activity implements and submits ISCS resulting from new or revised or superseding specifications and standards. The Preparing Activity for the specification or standard must furnish the Item Reduction Activity any supplemental information that may be required for proper assignment of ISCs. ISCS B and E apply.

c. Determination That There Is No Item Reduction Potential in FSC or Item Name Grouping in the Class. The Item Reduction Activity is responsible for assigning ISCS in this category. ISC 6 applies. The FSCS or item name codes previously recorded as ISC 6 should be reviewed periodically for standardization potential.

d. Assignment of ISC 5 or O. The DLSC shall mechanically assign codes 5 or O, as applicable, for new NSN or PSCN requests and to maintain file integrity.

2. ISCs, Definitions, and Applications. The Item Reduction Activity shall assign ISCs to items in accordance with the definitions and usage prescribed in this Appendix. The coding structure provides for the categorization of items as either "authorized for acquisition" or "not authorized for acquisition." In these two broad categories, the specific codes are intended to indicate key management information about the decision process used in assigning the ISC, the basis for assignment of the code, or a condition requiring further management attention.

a. Items Authorized for Acquisition

- 0 An item under the specification control of the Defense Nuclear Agency (DNA) or the National Security Agency (NSA) .
- 1 An item authorized for acquisition initially identified as the result of a formal item reduction study and that was accepted as a replacement for one or more items not authorized for acquisition (ISC 3). Additionally, ISC is applied to generic NSNS. Generic relationships exist between the NSNS procured under military or Federal specification, NGSS, or CIDs, but the physical generic item is stocked, stored, and issued under the associated that are assigned ISC 2 for supply management purposes. The NSN for the military or Federal specifications, NGSS, or CIDS shall be coded ISC 1, and the acquisition advice code must be "W."
- 2 An item authorized for acquisition that has been included in an item reduction study for which no replacement item has been identified. Additionally, for generic relationships, an ISC 2 shall be replaced by an ISC 1 item.
- 5 An item authorized for acquisition that has not been subjected to item standardization.
- 6 An item authorized for acquisition that is in a specific FSC or approved item name code consisting primarily of items that are "one-of-a-kind," and

therefore, little or no potential exists for elimination of items through item reduction studies.

- B An item authorized for acquisition that is in a new or revised superseding specification or standard that is a replacement for one or more items not authorized for acquisition (ISC E) and may replace other ISC 3 items.
- c An item authorized for acquisition that has been included in an item reduction study, but a technical decision could not be made due to lack of sufficient data.

b. Items Not Authorized for Acquisition

- 3 An item, which as a result of an item reduction study, is accepted as not authorized for acquisition and must have a replacement (ISC 1 or B) .
- E An item identified in the specification or standard that is no longer authorized for acquisition that has been replaced by an item in a new or revised superseding specification or standard. The replacement item (ISC B) shall be a NSN or a PSCN.

c. ITEM REDUCTION STUDIES

1. Responsibility for Item Reduction. The SD-1 (reference (t)) identifies those activities responsible for conducting item reduction studies. The DLSC shall accept standardization data only from the responsible Item Reduction Activity listed in reference (t) . If there is no Item Reduction Activity for an individual FSC, the DLSC shall reject all standardization data in that FSC.

2. Required Item Reduction Studies. Item reduction studies are applicable where there are a great number of generally similar items that lend themselves to grouping and examination by item names, item name modifiers, or other characteristics such as sizes, grades, lengths, and materials. Item reduction is principally a "sorting out " of items of supply to separate items currently in the supply system that are to be retained for stock from the items not to be acquired for continued supply. Technical or engineering elements shall furnish the interchangeability and substitutability criteria that are essential in applying ISCS to items being considered in an

item reduction study. The data range and criteria in Section II of the Federal Item Identification Guide (FIIG) shall be used, when applicable, with additional technical or engineering data as necessary to perform a thorough review.

3. Limitation on Performing Item Reduction Studies. The Item Reduction Activity shall determine whether sufficient item reduction potential appears to exist for a specific item name or grouping before conducting a full-scale study. The Item Reduction Activity shall conduct an item reduction study only when the expected benefits outweigh the costs of conducting the study.

4. Planning and Programming Item Reduction Studies. Plan and program item reduction studies, in accordance with the following:

a. LSA Responsibility. The LSA shall ensure that item reduction studies are scheduled in the appropriate standardization program plan (see Appendix C).

b. Scheduling Item Reduction Studies. The Item Reduction Activity shall schedule an item reduction study by requesting standardization document approval from the LSA and submitting a completed DD Form 1585 to the LSA.

5. Item Reduction Procedures. The item reduction study procedure is applicable to all items in a FSC or a specific category. The Item Reduction Activity may modify this procedure to make maximum use of mechanized procedures and to accommodate the type of items under consideration.

a. Collecting Required Data. The Item Reduction Activity must have sufficient data on all items to be reviewed to support the decision of the proposed ISC assigned to the item. The Item Reduction Activity shall avoid requesting information that is already available or that can be furnished from a central source. The Item Reduction Activity may obtain TIR data from the DLSC through the tailored or mass search and interrogation process or the Automated Tabular Study Listing Program. (See DoD 4130.2-M and DoD 4100.39-M (references (qq) and (v).))

b. Types of Data Required. The data used in an item reduction study must encompass sufficient information for users to determine relationships. The following is a list of data typically required (but not limited) to conduct an item reduction study:

(1) Technical drawings, standardization documents, purchase descriptions, comprehensive telephone conversation records, and other technical data.

(2) Special application data (submitted in justification of variations) .

(3) Industry data (such as catalogs and cross-reference lists.)

(4) Interchangeability and substitutability data.

(5) Cost and other nontechnical data that may be essential in determining the ISC.

(6) DLSC TIR data.

c. Applicable NSNs. Normally, only items currently in the supply system with recorded U.S. users in the DLSC TIR will be included in the item reduction study. However, other items (excluding NATO-only items) may be included, stock listed and nonstock listed, at the item reduction activity's discretion.

d. Grouping Items for Evaluation. The data for the items may be grouped by item name or noun and **modifiers**, user information, specification data (grouped by type, grade, class, and size for each specification), and other factors that may be applicable such as physical and functional characteristics, criticality in end use, and special applications. Proper sequencing will help in the comparison of items, in the determination of those items that are no longer needed, and the following:

(1) Potential duplicates, physically and functionally interchangeable, but bearing different **NSNs**. Exact catalog duplicates shall be processed in catalog channels for cancellations and not included in the item reduction study proposals.

(2) Those items determined as obsolete shall be processed in cataloging channels for appropriate cancellation and not included in the proposed item reduction study.

(3) Item identifications incomplete or inadequate (further data required).

(4) Item identifications that are duplicates, except for method of dimensioning (for example, inches versus millimeters) .

(5) Insufficient specification and standard coverage.

(6) Commercial nature of the items.

(7) The need for engineering practice study of some item name groups.

(8) The need for obtaining NSNS for some items that are entering the supply system or represent modifications of existing item identifications.

(9) Interchangeability and substitutability relationships. These relationships shall be between items of the same and different item standardization codes and shall be recorded for further use where applicable.

(10) Government part numbers in reference to military specifications or standards may be used by the Item Reduction Activity in the selection, coordination, and processing of proposed item reduction studies. NSNS shall be assigned after full coordination of the item reduction study proposal.

e. Extraction of Data From Federal Item Identification (FII). For the purpose of preparing the initial grouping of items in the study, the Item Reduction Activity may extract data from the FII from the TIR, as deemed appropriate. The Item Reduction Activity may vary the sequence of data from the sequence given in the FII, if it does not alter the concept of the item of supply, as expressed by the FII. Where required, both applicable FIIG and FIIs may be recommended for suitable modification.

f. Evaluation Criteria. The evaluation of the items requires the selection of technical criteria essential for determining the ISC for the items in each group or category. Cost and other nontechnical criteria may be essential in determining the ISC for the items in each group or category. The technical criteria shall be based on available specifications, standards, and other applicable source documents. The technical criteria should be the minimum required to differentiate between the items with respect to physical and functional interchangeability, end-use application, and design. If the FIIG contains a Section II, use the Section II criteria, as applicable. Consider life-cycle and end-item costs as part of the

evaluation criteria, as well as the interchangeability and substitutability of the item. The coordination procedure shall provide additional technical input that may be required to meet all needs.

g. Determining the ISC. The Item Reduction Activity shall compare the items of the basic groupings against the technical criteria, and then designate an appropriate ISC for each item under consideration. , Replacement items (ISC 1 or B) shall be shown with all associated items designated as not authorized for acquisition (ISC 3 or E). There shall be one replacement item (ISC 1 or B) established for each replaced item (ISC 3 or E) . However, a single item can replace more than one item.

h. Multiple Replacement Standardization Relationships. The establishment of multiple replacement standardization relationships is prohibited. Multiple replacement relationships are defined as two or more items being assigned ISC 1 or B and replacing an existing item not authorized for acquisition (ISC 3 or E) .

i. Generic Standardization Relationships. Generic standardization relationships are established to provide supply management control of interchangeable items. The use of these relationships is restricted to reparable items acquired under standardization documents listed in the DoDISS (reference (n)) . Separate NSNS are used to identify the reparable items due to their internal configuration differences. The configuration differences require different repair parts to be available at military repair facilities. Separate NSNS also provide the necessary control to enable contractor repaired items to be returned to the appropriate contractor. The generic master NSN consolidates requirements and is for acquisition purposes only. Assets are stored under the "stock as" NSNS assigned to each interchangeable item. The generic master NSN must be identified with an Acquisition Advice Code W and is an ISC 1. The interchangeable items of supply that are related to the generic master NSN are linked with a phrase code S (stock as), have recorded assets and are the NSNS used for requisitioning. (The "stock as" NSNS are ISC 2, fully interchangeable, interlinked with phrase code J, and indicate the generic master NSN with a phrase code 3.) The ISC 2 items may also replace other ISC 3 items of older configuration or having less capabilities that are no longer procured.

6. Format and Content of Proposed Item Reduction Study Listings

a. Cover Sheet. The cover sheet (see figure I-2) shall identify the following:

(1) Project number.

(2) FSC.

(3) Project title.

(4) Item names in the study.

(5) Item Reduction Activity.

(6) Custodians (for items used by civilian Agencies, the custodian is the GSA) .

b. Criteria and Guidelines Development Sheet. The Criteria and Guidelines Development Sheet (see figure I-3) shall describe the data used to establish the technical criteria in evaluation of the items.

c. Proposed Item Reduction Study List Index. The item listing shall include a cross-reference of proposed ISC 3 NSNS. The cross-reference shall be from National Item Identification Number (NIIN) sequence to index numbers. See figure I-4.

d. Item Reduction Study Listings. The format and content of the item reduction study listings (see figure I-5) shall be as follows:

(1) It shall contain only proposed ISC 3 items and their replacement Code 1 or B items.

(2) As a minimum, it shall contain, in tabular form, the following information in the order stated:

(a) Index number.

(b) Item name(s) and modifiers.

(c) NIIN.

(d) CAGE.

(e) Reference.

(f) Proposed ISC.

(g) Users code (the PICA or the Secondary Inventory Control Activity) identified by interpretation of Major Organizational Entity (MOE) rules in the DLIS TIR (see Volume 13, Chapter 6, DoD 4100.39-M (reference (v))).

(h) Remarks. This will include the notes established in the Criteria and Guidelines Development Sheet.

(3) Sequencing the listing shall be in a manner most advantageous for the commodity covered. However, a proposed ISC 1 or B item that replaces ISC 3 items shall immediately precede the replaced items.

(4) Items proposed for ISC 3 shall have the same index number as the replacement number, suffixed by an alphabetical symbol (A, B, C, D, etc.).

(5) A cross-reference shall be provided as an integral part of the listing. The cross-reference shall be from NIIN sequence to index numbers.

7. Coordination of Item Reduction Study Listings

a. Coordination Process. The Item Reduction Activity shall coordinate large studies of item name groupings or single-item studies in support of supply management using these procedures. When the number of items to be reviewed exceeds 200 items, the Item Reduction Activity may prepare listings tailored to each using Military Department and Agency. No study shall contain more than 2,000 ISC 3 items. If the number of items is less than 200 items, the Item Reduction Activity shall provide the complete listing for each using Military Department and Agency. The Item Reduction Activity shall give the custodians a complete listing regardless of the size of the study. Besides the listing, the Item Reduction Activity shall give each using activity the following (the GSA is hereafter considered a custodian) :

(1) All available source data and drawings for replacement or replaced items.

(2) Copies of written technical criteria used for determining the ISCs, unless it is in Section II of an approved FIIG.

(3) Available cost and other nontechnical data that may impact the concurrence or nonconcurrence of the ISC.

(4) Recommendations for further standardization or documentation.

b. Coordination Schedules. The Item Reduction Activity shall state in the letter forwarding the item reduction proposals, the time allowed for the initial response to the studies based on the following:

(1) For proposals containing 200 or less ISC 3 items - 90 calendar days.

(2) For proposals containing 201 to 500 ISC 3 items - 120 calendar days.

(3) For proposals containing 501 to 1000 ISC 3 items - 150 calendar days.

(4) For proposals containing more than 1000 ISC 3 items - 210 calendar days.

(5) Using activities requesting extensions shall submit requests and justifications directly to the custodian. Custodians shall request extensions from the Item Reduction Activity.

c. Study Distribution. The Item Reduction Activity shall send one copy of the proposed study to all registered DoD users in the DLSC TIR. The GSA shall distribute the proposed study to civilian users. The Item Reduction Activity shall send to the GSA two copies for each civilian user and three copies for internal GSA coordination.

d. Using Activity Responsibility. The using activities shall conduct a review of their items with respect to the ISC recommended by the Item Reduction Activity. The using activities must exhaust all available sources before requesting data from the Item Reduction Activity. When requesting data, the using activity must identify the data request by the index number of the items in the item reduction study. Data shall not be required on standardization documents listed in the DoDISS (reference (n)) or listed in the DLSC TIR. Where the Item Reduction Activity's recommendation is not acceptable, the using activity shall send its nonconcurrence (on an item-by-item basis) supported by -justification to the Item Reduction

Activity through the custodian. These justifications shall be related to specific elements of the interchangeability and substitutability criteria used in the performance of the study (e.g., Section II of applicable FIIG, source data, cost or other nontechnical data related to the NSN of the proposal) .

e. Custodian Activity Responsibility. On receipt of a proposed item reduction study listing from the Item Reduction Activity, the custodian shall review the distribution to using activities and if additional distribution is required, so inform the Item Reduction Activity. On receipt of all of the using activities' comments on the proposed item reduction study, the custodian shall review the comments and resolve the intra-Departmental or Agency position. Custodians shall submit supporting statements and recommendations to the Item Reduction Activity. As a general rule, the custodian should not submit partial replies to the Item Reduction Activity. However, to expedite the recording of acceptable standardization decisions through the DLSC, partial replies may be submitted with the understanding that the custodian has furnished a final Departmental or Agency position on each of the items included in the partial reply. Custodians must send a complete reply in the time stated in paragraph C.7.b., above, unless the Item Reduction Activity grants an extension.

f. Delinquent Replies. If all replies are not received by the original or revised coordination date, the Item Reduction Activity should contact the custodian to find out the reason for the delay and request an immediate response. If the Item Reduction Activity does not get a response, and does not believe one is forthcoming, the Item Reduction Activity shall send the documented case to the DepSO of the delinquent custodian for resolution. The DepSO shall take whatever action is necessary with its counterparts to ensure that replies are furnished without delay.

8. Expedited Item Reduction Study Listings. Expedited item reduction study listings are those studies that contain a limited number of items. The Item Reduction Activity shall issue these studies only to obtain coordination with the Military Departments, Agencies, and the GSA when logistics support to customers is jeopardized for those items established as critical in certain applications or to prevent a no-stock condition. These items should be given priority processing by the users. The following criteria applies:

a. No study shall contain more than 20 families with no more than 50 total items.

b. Coordination time shall be 50 calendar days from the date of letter.

c. All items (ISCs 1 and 3) shall have all technical data available.

d. When nonconcurrency is determined, the using activities shall exhaust all avenues to provide alternative sources of supply before transmittal of the nonconcurrency to the Item Reduction Activity.

9. Responding to Nonconcurrency. If the Item Reduction Activity accepts all nonconcurrency, then a response is not necessary. If the nonconcurrency are few, the Item Reduction Activity may use the telephone or electronic transmittal to advise custodians or using activities how their nonconcurrency were handled. For lengthy or complex nonconcurrency, the Item Reduction Activity shall respond with a letter or electronic transmittal, or hold a resolution meeting.

10. Resolving Nonconcurrency. The Item Reduction Activity shall resolve nonconcurrency in one of three ways:

a. The Item Reduction Activity may accept the nonconcurrency.

b. The Item Reduction Activity may reject the nonconcurrency with justification, allowing the submitter at least 30 working days to rebut the rejection. If no reply is received in 30 working days, Item Reduction Activity shall contact the Custodian. Items shall not be standardized by default.

c. If the Item Reduction Activity is unable to resolve the nonconcurrency in a timely manner, it may ask the cognizant LSA to mediate. If the LSA cannot resolve the issue, the LSA shall submit the unresolved nonconcurrency to the Item Reduction Activity's DepSO for resolution and possible submission to the OASD (P&L) SPD for arbitration.

11. Summary of Item Reduction. The purpose of a summary of item reduction is to document the result of item reduction studies (completed item reduction listing (CIRL)). The general organization of information for the summary is as follows:

a. Summary Cover Sheet. The summary cover sheet (see figure I-6) shall identify:

- (1) Project number.
- (2) FSC .
- (3) Project title.
- (4) Item name (s) in study.
- (5) Item Reduction Activity.
- (6) LSA .
- (7) Custodians.

b. Executive Summary. Briefly describe the cover sheet (for example, date of project initiation, project scope, working group membership, and meeting date, if applicable) . See figure I-7.

(1) Reference. Briefly describe the cover sheet and provides date.

(2) Project Scope. Briefly describe the intent of the item reduction effort, and what items were studied.

(3) Coordination of Study. Include a statement indicating degree of coordination accomplished with the other military and civilian Agencies and a statement concerning the resolution of all essential **comments** or other statements, such as a list of nonconcurrents.

(4) Class Condition Observation. Include a general statement of the condition of the FSC or name grouping (from a supply viewpoint) . This statement shall include an evaluation of the item reduction potential or level reached, extent of documentation of items covered by specifications and standards, and recommendations for collecting data for items coded ISC C with a cost effectiveness appraisal.

(5) Findings and Recommendations. Include under this heading:

- (a) The total number of items reviewed in the study.

- (b) The number of items designated as "ISC 1."
- (c) The number of items designated as "ISC 2."
- (d) The number of items designated as "ISC C."
- (e) The number of items designated as "ISC 3."
- (f) Number of duplicate items canceled.
- (g) Number of cataloging part number additions and corrections submitted.
- (h) Number of changes to item identification submitted.
- (i) Number of cataloging descriptive corrections submitted.
- (j) Include benefits resulting from the study, such as the number of: cancel no user actions, cancel duplicate actions, cancel invalid actions, reference type 11s converted to full descriptive type 11s, corrections made to type 11s, and transfers made as a result of misclassifications, and, when possible, tangible dollar savings achieved.
- (k) After coordination with the LSA and obtaining project numbers, recommendations for further standardization projects shall include identification of the study and document projects, the preparing activity, the proposed scope, schedule, and the assigned project number.

(6) Accomplishments. Identify those intangible benefits that enhance the Federal supply system.

12. Summary of Expedited Item Reduction Studies. Use the summary of item reduction format and content discussed in subsection C.11., above, to document the results of the expedited item reduction study. In 45 days of the completed study, the Item Reduction Activity shall send the summary to the custodians, the LSA, and using activities.

13. Completion of an Item Reduction Study. On completion of the summary of item reduction, the Item Reduction Activity shall:

a. Approve the item reduction project and submit a DD Form 1585, as specified in the SD-4 (reference (w)) .

b. Prepare a listing of all of the items that were included in the item reduction study that required a change in the ISC.

c. Follow the procedures of section F, below, to document and disseminate the standardization decisions.

d. Submit a copy of the summary of item reduction and a copy of the listing to the LSA, custodians, and using activities.

e. Provide the PICA a copy of the summary of item reduction study for coordination and followup of DoD interchangeability and substitutability, in accordance with AFMCR 400-31, AMC-R 700-30, NAVMATINST 4400.25, MCO 4410.24, and DLAR 4140.66 (reference (rr)).

14. Project Record. The Item Reduction Activity shall maintain a record of the project that shall include, as a minimum, the summary of item reduction and the listing of all of the items that were included in the study that required a change in the ISC.

D. OTHER ITEM STANDARDIZATION ACTIONS

1. General. The procedures in this section apply to all the FSCS listed in Volume 10, Chapter 4, Table 93 of DoD 4100.39-M (reference (v)), and all of FSG 59, except 5940, 5970, 5975, 5977, and 5995. This section describes the assignment of the ISCS during, or because of, the following actions:

a. New items processed through the DLIS for NSN or PSCN assignment.

b. New or revised superseding specifications, standards, or CIDS where the item listed in the new or revised specification, standard, or CID supersedes an existing item. (An item listed in a new or revised superseding specification, standard, or CID may be assigned a NSN or a PSCN.)

c. Those items that are in a specific FSC or item name grouping in that class that are identified as one-of-a-kind, and as a result, no item reduction potential exists.

2. New Items Processed through the DLIS. New item requests are submitted to the DLSC in compliance with the Cataloging Item Entry Control policy stated in DoD 4130.2-M and the procedures contained in DOD 4100.39-M (references (qq) and (v)). New NSN or PSCN will be assigned to ISC 5. ISC 0 shall be assigned to NSA or DNA items.

3. Superseding Specifications and Standards. When a new or revised superseding specification or standard is approved and a cross-reference supersession data between the new items and replaced items is clearly stated, the new items and replaced items shall have ISCS assigned without further coordination (ISC B and E apply). However, the Item Reduction Activity must include in an item reduction study, and coordinate with the using activities, those superseded specification or standard items that fall in the following categories that have additional requirements over and above the specification or standard requirements or are source controlled. When a specification or standard is superseded, the Preparing Activity of the superseding document will notify the Item Reduction Activity if item replacement actions are required. When this type of item replacement occurs, the item described by the new superseding document shall be assigned a PSCN because a NSN cannot be assigned to a new item until a procurement requirement for the item is generated. This PSCN item shall be listed as the replacement item for the associated NSN item that was described by the superseded document. During these replacement actions, ISC E shall be assigned to any items that are replaced by items covered by the superseding document, and ISC B shall be assigned to the replacement items, regardless of registered users. When a requirement for a PSCN item is generated, a NSN designation shall be assigned to replace the PSCN designation, and ISC B shall be retained.

4. Federal Catalog System. Items of supply in the Federal supply system that are bought, stocked, or distributed shall be named, identified, classified, and numbered for inclusion in the Federal catalog system. There are specification items and materials that do not conform to the regular stock-numbering criteria, but are involved in daily supply operations. Some of these items have been subjected to standardization review and have no supply system requirement established, but are authorized for acquisition. The standardization review identifies a standard item as the preferred item and a PSCN is assigned to these standard items as the control element that provides the capability to establish item records in the DLSC TIR that will include an item identification (characteristic) and a reference number record.

5. Unique System Control Numbers. PSCNs are unique system control numbers designed to be used in the same data fields normally occupied by NSNS or NIINs, in the DLIS data bank. They shall be used to identify adopted non-Government and standard military and Federal specification or standard preferred or replacement items, as determined by the LSA. They are not stocked, stored, or issued by the supply system, but are authorized for procurement. With this approach, visibility of standardization information can be realized since data shall be accessible in several ways. This data shall be included with the daily processing of stock-numbered items. Matches shall be made and data will be output in the same way that data is output for items with NSNS. Use of PSCN records under these conditions shall support item entry control to reduce the kind and number of supply items.

6. PSCN Format. The PSCN format is alphanumeric with 13 positions. The first four positions of the PSCN are the numeric FSC. The fifth and sixth positions are the National Codification Bureau Code. The seventh position is an alpha "P" when used for the standardization application. The eighth and ninth positions are alpha, and the 10th through 13th positions are numeric. Example: 590500PAA1234 .

7. PSCN Assignment Request. Requests for PSCN assignment shall be submitted using the item identification procedures in DoD 4100.39-M and in compliance with the policy stated in DoD 4130.2-M (references (v) and (qq)). Requests for PSCN assignments submitted with standardization replacement relationships in the FSCS listed in Volume 10, Chapter 4, Table 93 of reference (v) shall be assigned ISC 1 or B. Requests for PSCN assignment in FSCS other than those listed in Volume 10, Chapter 4, Table 93 of reference (v) shall be assigned ISC 1 when submitted with standardization replacement relationships. All PSCN requests submitted without relationships will be assigned ISC 5. All PSCN requests must reflect a CAGE code listed in Volume 10, Chapter 4, Table 94 of reference (v). The procedures of section E., below, shall be followed to implement these standardization decisions.

8. PSCN Conversion. Most of the item record is established under PSCN assignment. Once a procurement requirement is established for a new item, the PSCN designation shall be converted to a NSN designation. The Military Department or the Defense Agency shall submit a transaction to change the PSCN designation to the NSN designation using the item identification procedures in DoD 4100.39-M (reference (v)).

9. No Item Reduction Potential. An item reduction study shall analyze each FSC or approved item name code and make a cost effectiveness determination before planning and scheduling an item reduction study project. The Item Reduction Activity shall analyze each FSC or approved item name code before planning and programming an item reduction study project and make a cost effectiveness determination. The Item Reduction Activities shall maintain a record of the analysis for each FSC or approved item name code that is declared to have no item reduction potential and a listing of all the items coded ISC 6. Item listings need not be maintained if the required data is accessible in machine format. The procedures of section E., below, shall be followed to implement these standardization decisions. ISC 6 shall be used only for a FSC or an entire approved item name code. It shall not be used on an individual item basis, unless the item is a new item that belongs in an approved item name code that has already been declared to have no item reduction potential. The use of ISC 6 should be closely scrutinized. Assignment of ISC 6 to an FSC or an approved item name code shall not preclude future item reduction studies on these items.

E. INITIAL ACTIONS FOR RECORDING AND DISSEMINATING STANDARDIZATION DECISIONS

1. Action by Item Reduction Activity. The Item Reduction Activity shall:

a. Forward without delay to the DLSC (the DLSC shall only process standardization decisions from valid submitter of standardization data) :

(1) Standardization data submitted through the established transmission systems authorized by the DLSC.

(Z) When the NSA (activity code XP/XN) is the managing activity, CAGE code 98230 must be registered as part of the design control reference for the assignment of ISC "0" by the DLSC.

(3) When the DNA (activity code XA/XB) is the managing activity, CAGE code 57991, 67991, 77991, or 87991 must be registered as a part of the applicable design control reference number. When the above data is not properly shown for the item, the Item Reduction Activity shall contact the DNA for correction of the records. This procedure does not modify the basic requirement for the use of ISC 0 by the DNA.

b. Submit data to the DLSC by electronic transmission or by letter of transmittal with the subject, "Documentation of Standardization Decisions ." The transmittal letter will indicate the total number of NSNs in each ISC submitted for processing. A separate letter of transmittal shall be prepared for each shipment of transmitted data to the DLSC, ATTN: DLSC-F .

2. Action by Activity Determining "No Potential". Submit standardization data for items assigned ISC 6 to the DLSC, as outlined in subsection E.I., above.

3. Action by Activity Implementing Item Replacement Due to Superseding Specifications or Standards. Submit standardization data for items assigned ISC B or E to the DLSC as outlined in subsection E.I., above.

4. Action by the DLSC. The DLSC shall:

a. Receive standardization data from the submitting activity.

b. Process the standardization data received and enter into the TIR the ISC, originator of decision, and date of decision assigned to the items by the submitting activity, in accordance with DoD 4100.39-M (reference (v)).

c. Forward information to authorized recipients of standardization data (see Chapter 5 of reference (v) . Also forwards logistics item data to the appropriate LSA or Item Reduction Activity, as requested. For each item not authorized for acquisition, the standardization relationship data (Segment E) record shall reflect the replacement NSN or the replacement PSCN.

d. Establish a cross-reference between items not authorized for acquisition, the replacement item, and the reverse relationships.

e. Assign ISC 5 or 0 as applicable to all new NSN or PSCN requests, except those coded under procedures in subsection D.3., above.

F. IMPLEMENTATION OF STANDARDIZATION DECISIONS BY THE ICP AND CATALOGING COMPONENT

1. Action by the ICP. The ICP receives revised standardization relationship data (Segment E) containing the ISCs assigned to the items and takes appropriate action in accordance with paragraphs F.1.a. through F.1.c., below. Initial distribution of revised Segment E shall be furnished from the DLSC, in accordance with DoD 4100.39-M (reference (v)).

a. Records the ISC of the item in all supply records, including catalog records, as applicable.

b. Advises cataloging component of each change in the supply management status of the item (other than standardization codes) so appropriate action may be submitted to the DLSC.

c. Forwards to the appropriate Item Reduction Activity, custodian, or integrated manager, appeals to standardization decisions with justification, or other requests for changes in ISCs. Copies shall be furnished to the LSA or Item Reduction Activity, as requested.

2. Action by the ICP Cataloging Component. The ICP cataloging component shall:

a. Prepare and submit progressively to the DLSC, in accordance with normal cataloging procedures, appropriate data furnished by the managing activity under subsection F.1, above.

(1) When the stock of an item not authorized for acquisition is exhausted, a delete user action, in accordance with normal cataloging procedures, shall be submitted for the item not authorized for acquisition (see reference (v)).

(2) When the standardization decision involves the adoption of a NSN replacement item, new to the managing activity's supply system, an add-user transaction should be submitted for the new item to the DLSC, in accordance with reference (v) .

(3) For items under integrated management, the submissions covered by subparagraphs F.2.a. (1) and F.2.a. (2), above, shall be processed by the integrated manager. However, all item deletions must be concurred in by the using activities before initiation of withdrawal actions by the integrated managers. Such action may be based on acceptance of item reduction proposals or specification supersessions.

(4) When the consolidation or exhaustion of stocks for the obsoleted item is affected, a delete user action in accordance with normal cataloging procedures shall be submitted for the obsoleted item.

b. Prepare and submit progressively to the DLSC, in accordance with the normal DLIS and cataloging procedures, add-user transactions reflecting acquisition or reacquisition of items previously subjected to an item reduction study.

G. ITEM REDUCTION MAINTENANCE ACTION

1. Action by the Item Reduction Activity {or Integrated Manager, as Applicable}. The Item Reduction Activity is responsible for the following actions:

a. Standardization studies involving items in interchangeable and substitutable families shall consider, as a minimum, all the items in those families.

b. Standardization decisions can supersede interchangeable and substitutable data assignments of items in family structures. However, interchangeable and substitutable data assignments shall not contradict standardization coding assignments.

c. The managing Military Department or the Defense Agency shall be responsible for restructuring interchangeable and substitutable families to reflect standardization decisions.

d. Managing activities shall collaborate with the using Military Department or Defense Agency on all new or revised interchangeable and substitutable family structures before the entry of the interchangeable and substitutable families in the DLSC TIR, except those relationships coordinated through the item reduction study process.

e. Reviews all justifications for acquisition and reacquisition of items designated as not authorized for acquisition and advises the submitting activity whether or not the ISC of the item is changed. When appropriate, notifies the DLSC of change, in accordance with procedures in DoD 4100.39-M (reference (v)).

f. Reviews and forwards appeals or other requests for changes in standardization coding, with recommendations, to the appropriate custodian for resolution. These changes shall only

affect the relationship under consideration by the appeal. Mass ISC changes shall not be made unless it is determined that the criteria selection was in error.

g. 'Reviews at intervals deemed necessary those items not subjected to item standardization since the last review and proposes and coordinates, as appropriate, the ISC for groups of such items.

h. Forwards, when authorized by the DLSC, standardization data submitted through the established transmission process.

2. Action by the DLSC. The DLSC shall:

a. Receive standardization data through the transmission process, established with submitting activity, and takes necessary action, in accordance with subsection E.4., above, to enter the official ISC for new items and items that have changed status in the DLSC records.

b. Forward to authorized data recipients of standardization decision data, a Segment E, as applicable, containing the current official ISC.

c. Receive and process catalog data for proposed add-MOE Rule or user transactions. When the add-MOE Rule transaction is submitted for an item not authorized for procurement (ISC 3 or E), process the add-MOE Rule or user transaction and record the activity as a user of the item identification. The authorized data recipients shall be furnished file data for the item not authorized for acquisition from the DLSC. The originator shall be furnished file data for the replacement NSN, if there is an existing relationship recorded in the TIR.

d. Process FSC changes by forwarding to the receiving activities notification of the FSC changes and file data for the item under the new FSC in accordance with existing cataloging procedures. If the FSC change is processed against an item that is recorded in a standardization relationship, the responsible Military Department or the Defense Agency shall take the necessary action, as prescribed in DoD 4140.26-M (reference (Ss)).

e. Forward on request to the appropriate standardization management activities who are not on normal distribution, a listing of new items not previously subjected to item standardization.

H. INVENTORY CONTROL ACTIONS ON ITEM STANDARDIZATION DECISIONS

The following actions will be taken on all line items subject to the procedures in sections E. and F., above.

1. Ensure that the manager of the NSN coded ISC 1 or B in a standardization relationship shall also be the manager of the member NSNS in the standardization relationship coded ISC 3 or E, on the standardization relationship being recorded in the DLIS.
2. Record standardization status on all supply records (including catalog records), as applicable.
3. Review supply records of items proposed for acquisition for conformance with ISC status.
4. Transmit, in accordance with Catalog Management Data Notification procedures, the appropriate phrase code, order of use, and acquisition advice code, which defines the item relationships and supply actions that are applicable following the assignment of ISCs 1 (or B) and 3 (or E) for a given set of items.
5. Establish procedures to encourage the use of items not authorized for acquisition until exhausted through the use of the order of use or manually offering of items.
6. Review "due-in" assets position and effect contract termination, as feasible, when total assets of items authorized for acquisition and items not authorized for acquisition on-hand and on-order exceed authorized levels.
7. Review "due-outs" and offer substitute items, as appropriate, to reduce stocks of items not authorized for acquisition.
8. Restrict purchase authority during the period that items not authorized for acquisition are being reduced by attrition and for items that are eliminated from the supply system to prevent acquisition of additional items when possible replacements are available.
9. Review for elimination from the system, terminal stocked items, ISC 3 or E, that have an on-hand wholesale asset position and a coordinated replacement, based on a cost-effectiveness consideration. The PICA should evaluate the item on the basis of value of assets on-hand in relation to the predicted time over which item attrition would take place. Generally, when the item for elimination

has an extensive issue-to-exhaustion time period, coupled with a low dollar value of assets, the PICA shall coordinate with all the registered users a proposed delete action. Assets should be retained and issued when the demand forecast indicates that assets can be issued in a relatively short period-of-time regardless of the dollar value of assets.

10. Ensure that future acquisition for wholesale stockage is limited to items authorized for acquisition.

11. On an interim basis, items coded ISC 3 or E may be acquired for direct delivery to any requisitioning activity that has challenged the standardization coding. The requisitioning activity shall forward to the appropriate item manager, justification and conditions for ISC changes. The following information must be furnished:

- a. Specific end-use and end-item application.
- b. Technical explanation comparing the physical and functional characteristics of the Code 3 or E item with the item authorized for acquisition.
- c. Duration of the requirement for the item or how long the end-item will be retained.
- d. Economic considerations from a purely technical standpoint.

The item manager shall forward the justification to the item reduction activity responsible for the standardization decision for review and forwarding to the appropriate custodian for resolution before rendering an appeal decision.

12. Where the GSA provides central management purchase support through its stores depots, through Federal Supply Schedules, or through mandatory consolidated purchasing programs, all activities shall adhere to the requirements of approved standardization decisions. Decentralization in the military shall not be a means whereby a DoD activity evades the use of an item authorized for acquisition furnished through GSA acquisition operations.

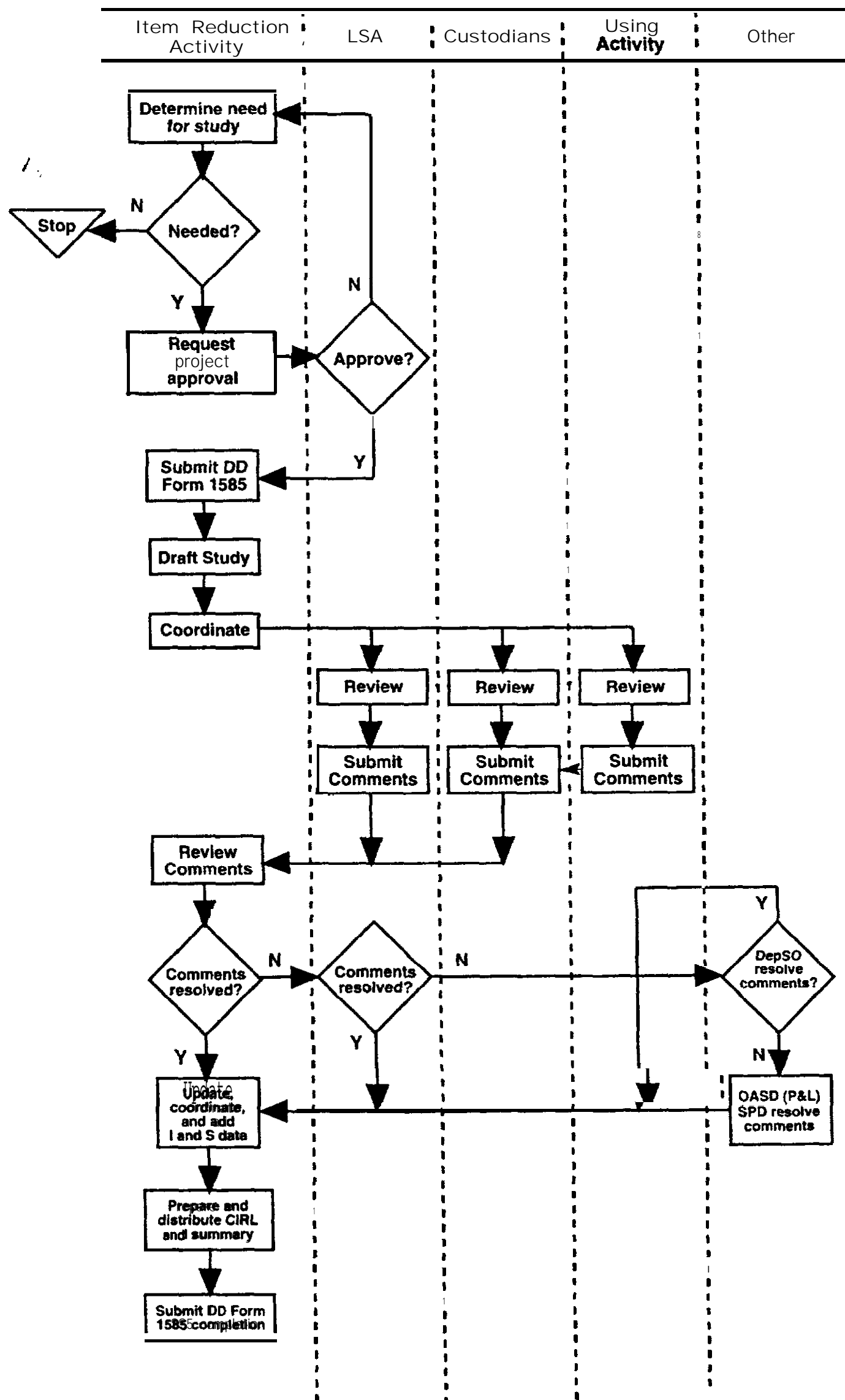


FIGURE I-1 . Typical Process for Item Reduction Study

COVER SHEET FOR PROPOSED ITEM REDUCTION STUDY LISTING

PROJECT NUMBER :

FEDERAL SUPPLY CLASS :

PROJECT TITLE :

ITEM NAME IN STUDY:

ITEM REDUCTION ACTIVITY :

CUSTODIANS :

Army -

Navy -

Air Force -

Civilian Agency -

Figure I-2. Sample Format for Cover Sheet for Proposed Item Reduction Study Listing

CRITERIA AND GUIDELINES DEVELOPMENT SHEET

1. The following data was used to establish the technical criteria in evaluation of the items:

a.

b.

c.

d.

2. The recommendations contained in this study are based on the following guidelines:

a.

b.

3. Explanation of Notes:

Note 1:

Note 2:

Note 3:

Note 4:

Note 5:

Note 6:

Figure I-3. Sample Format for Criteria and Guidelines Development Sheet

PROPOSED ITEM REDUCTION STUDY LIST INDEX

ASGDC-NSN

INDEX

Item Reduction Study Project Number

ASGD-NSN	INDEX	ASGD-NSN	INDEX
5910-00-081-9545	0001A	5910-00-226-1107	0005A
5910-00-090-6254	0003A	5910-00-228-1234	0006A
5910-00-160-6786	0001B	5910-01-004-7876	0007A
5910-00-204-6819	0002A	5910-01-152-8947	0004A

Figure I-4. Sample Format for Proposed Item Reduction Study List Index

PROPOSED ITEM REDUCTION STUDY LISTING

INDEX NO.	ITEM N A M E	NIIN 5910-	CAGE	REFERENCE	ISC	USERS CODE	REMARKS
1	CAPACITOR, FIXED, CERAMIC	00-854-9958	81349	MILC11015 TYPE	1	SG, HH	
1A	CAPACITOR, FIXED, CERAMIC	00-081-9545	95275	VK30CW472K	3	CL, SG	NOTES
1B	CAPACITOR, FIXED, CERAMIC	00-160-6786	64959	KS8151-5	3	CL	
2	CAPACITOR, FIXED, CERAMIC	00-574-2136	50625	F73450	1	CT	
2A	CAPACITOR, FIXED, CERAMIC	00-204-6819	97896	N500-1a	3	SE	NOTES
3	CAPACITOR, FIXED, PAPER	00-962-0154	70152	F7601	1	Sx	
3A	CAPACITOR, FIXED, PAPER	00-090-6254	81348	N503C	3	KE	

*Notes as applicable

Figure I-5. Sample Format for Proposed Item Reduction Study Listing

SUMMARY COVER SHEET

PROJECT NUMBER :

FSC CLASS:

PROJECT TITLE :

ITEM NAME (S) IN STUDY:

ITEM REDUCTION ACTIVITY :

LEAD STANDARDIZATION ACTIVITY :

CUSTODIANS : Army -

 Navy -

 Air Force -

 Civilian Agency -

Figure I-6. Sample Format for Summary Cover Sheet

EXECUTIVE SUMMARY OF ITEM REDUCTION

FSC _____

1. Reference:
2. Project Scope:
3. Coordination of Study (to include a list of nonconcurrence) :
4. Class Condition Observation:
5. Findings and Recommendations:
 - a. Findings:
 - b. Recommendations:
 - (1) Cancel-Invalid (LKV) Action:
 - (2) Transfer to Correct FSC
 - (3) Item Name Change on NSNS as Follows:
 - (4) Change Reference Data for the Following:
6. Accomplishments:

Figure I-7. Sample Format for Executive Summary of Item Reduction